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OCI No. 1588/63

CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
30 July 1963

CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: The Internal Security Situation in
Bolivia

1. The presently tense situation in Bolivia is largely an outgrowth of the approaching showdown between President Victor Paz Estenssoro and Vice President Juan Lechin over the Nationalist Revolutionary Movement's (MNR) presidential nomination next year. Lechin's political power is based on Bolivia's well-organized union movement and particularly in the far-leftist dominated tin miners' union, which is presently carrying out sporadic strikes to thwart President Paz' rehabilitation plans for the mines.

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2. The Paz regime periodically has encountered the defiance of ambitious and opportunistic local political leaders backed by armed civilian militia forces. The civilian militia, of which the most important units are those of the peasants and those of the miners, has enjoyed a privileged position in Bolivia because it is credited with playing the major role in the MNR defeat of the army in the 1952 revolution. This paved the way for the coming to power of the present MNR regime in the same year.

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3. Units of the militia vary considerably in size, training, and weapons. Militia units at the tin mines are considered the most effective in part because of their access to explosives. Total strength of the civilian militia (16,000 plus) is greater than that of the army (12,000) and police (3,500) combined, but it is not a unified force. Militia weapons generally consist of rifles and possibly some light machine guns which are old--1932-1935 Chaco War vintage--but which are nonetheless serviceable.

4. The principal cause for outbreaks of violence in the past has been the desire of individual leaders to dominate provincial areas. Conflicts between rival peasant leaders have frequently resulted in serious disorders in the Cochabamba Valley in central Bolivia and in the Achacachi-Coroico area northeast of the capital of La Paz. The principal centers of strength for the miners' militia are the larger tin mines of Catavi, Huanuni, and Milluni.

5. Since early March 1963, President Paz Estenssoro has been successful in supplanting a number of pro-Communist or Communist peasant leaders in the Department of La Paz. He also has been successful in garnering the support of some influential leaders in the Cochabamba Valley and in the eastern Department of Santa Cruz. There are still peasant leaders in the rural areas, however, who are anti-regime and probably pro-Communist, and who have a potential for disruptive actions against the government. The pro-Paz leadership of the National Peasant Organization which claims to represent all Bolivian peasant groups is a force which has been used by the government to carry out its campaign against the extremist peasant leaders. This organization augmented by government security forces is sufficient to preserve relative order and foster pro-regime sentiment in the rural areas.

6. The miners' militia, especially the armed miners at Catavi, represent the single most important threat to the stability of the government at this time. The Catavi miners are led by two Communist-Trotskyists, Federico Escobar and Ireneo Pimentel. An October 1962 report prepared by the US Army Attache places the strength of the Catavi militia at over 2,000. The leaders at Catavi and

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at the other nationalized mines in Bolivia are focusing their militant opposition against the government's desire to carry out mining reforms to end the uneconomic operations in the mines in accordance with the recommendations of the Triangular Plan.

7. The Triangular Plan is a joint undertaking by the US, West Germany, and the Inter-American Development Bank to rehabilitate Bolivia's tin mines. The goal is to strengthen Bolivia's economy by decreasing the state mining corporation's costs--tin productions costs are now often in excess of world prices--and increasing the government's foreign exchange earnings, thereby making economic diversification more feasible. The Triangular Plan has been a main target for Communist opposition, because the success of the plan probably could lead to a large measure of growth and stabilization of the Bolivian economy.

8. The situation at present is tense. Work continues only sporadically at Catavi, the country's largest tin mine. Locals of the Lechinist, pro-Communist led Factory Workers Union have struck in Cochabamba, and at a key flour factory in La Paz. The army has been placed on alert and confined to quarters. The Commander of the Bolivian Air Force stated on 19 July to the US Air Attache that the Bolivian government may find it necessary to request US Special Forces assistance in order to maintain internal security. He indicated that this might be necessary if open conflict breaks out between the miners militia and government forces. No further mention of this matter has been made, however, by any Bolivian military or government official.

9. Unless the negotiations between the miners' union and the state mining corporation (Comibol) arrive at an "adequate solution" to the mine rehabilitation problem, the union threatens to call a general strike in all the Bolivian tin mines. Because of the political loyalty to Lechin of most of the unions in Bolivia, many of which are led by Communists or extreme leftists, such a strike could spread to other industries. In addition, those peasant groups whose leaders are still of an extremist inclination could possibly be expected to join in the general strike.

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10. The unrest at Catavi is likely to come to a head in early August.

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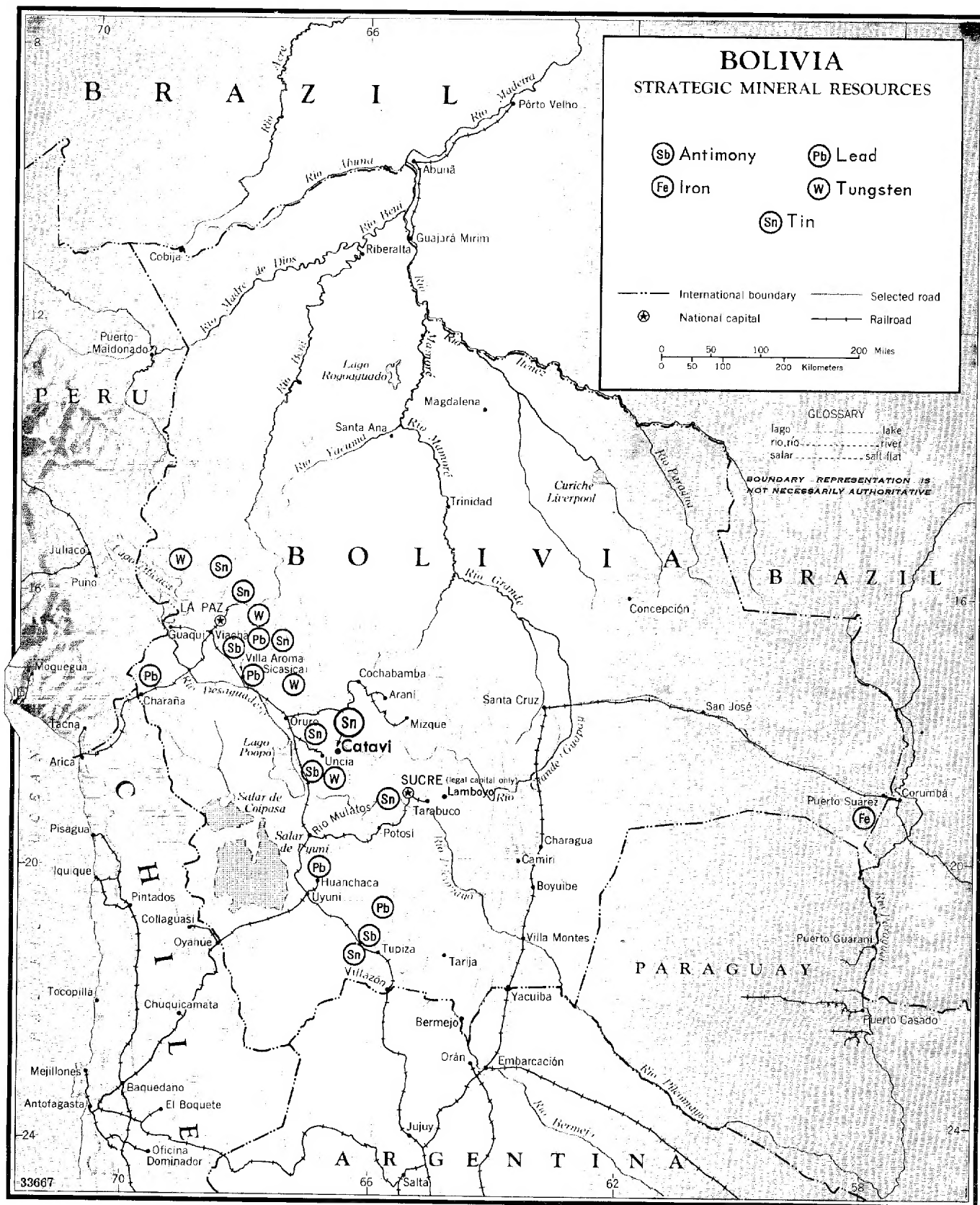
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12. The government probably will be successful in preventing a march on the capital, and the rather isolated miners' militias probably will be kept from joining forces among themselves and with such outside forces as sympathetic peasant groups. If the government can "seal off" crucial areas such as Catavi, the withdrawal of wages and the stopping of normal Comibol supplies to the local mine commissaries will likely be sufficient to bring the miners to a point of capitulation. Nevertheless, the situation is such that an open conflict between the miners' militia and government forces could be touched off should an incident develop to sufficiently inflame the miners.

13. This memo has been coordinated with the Department of State/ARA and INR.

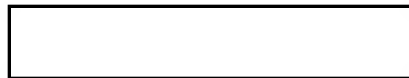
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